

**REMARKS**

Presently, claims 25-39 are pending in the application. Claims 1-24 have been canceled. New claims 25-39 have been added to alternatively recite the present invention. Support for the features of new claims 25-39 may be found, for example, in original claims 1-24 and at page 12, line 19 – page 13, line 18 of the specification. Accordingly, no new matter has been added to the application by the foregoing amendments.

***Claim Objections***

The Examiner has objected to claims 9 and 11 for containing the informalities noted on page 2 of the Office Action. Claims 9 and 11 have been canceled. Thus, the Examiner's objections with respect to these claims are moot. Reconsideration and withdrawal of the Examiner's objection to claims 9 and 11 are respectfully requested.

***Prior Art Rejection – § 102(e)***

The Examiner has rejected claims 1, 8-9 and 18-19 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,463,585 to Hendricks *et al.* ("Hendricks"). The Examiner contends that Hendricks teaches each and every element of the present invention. Although not necessarily agreeing with the Examiner, claims 1, 8-9 and 18-19 have been canceled. Accordingly, the Examiner's § 102(b) rejection of claims 1, 8-9 and 18-19 is moot.

Hendricks discloses a system for providing television programming and targeted advertisements to consumer's homes. In Hendricks, information is sent from a program controller to local storage and/or real-time display in a consumer's terminal. The stored information may include control information, programming and/or advertisements. Additionally, Hendricks discloses that information related to users' preferences and/viewing actions or habits may be observed, retrieved and analyzed, such that a particular consumer terminal may be identified to a desired target category. The target category, based for example on demographic information, is utilized to determine which advertisements to target at the consumer. Hendricks teaches that there are several

different methods of conveying the desired advertisements to the audience. In one embodiment, Hendricks employs “feeder channels” to deliver the targeted advertisements. In such a system, when designated breaks in regular programming occur, the system switches to (or between) one or more alternate channel(s) that contain different, targeted programming (e.g., advertisements). The particular feeder channel that is displayed to the consumer may depend on the specific target audience. Thus, it may be advantageous to switch back and forth between the various feeder channels to display the most desirable ad. Hendricks further discloses that the switching plan may also be stored locally at the consumer’s terminal. In another embodiment, the advertisements may be stored locally at the user’s terminal for later display. Thus, the targeted advertisements are sent to the user’s terminal prior to display and stored. When the designated program break occurs, the locally stored advertisement is retrieved and displayed. Alternatively, the targeted advertisements may be multiplexed and transmitted along with the program content.

Applicants’ present invention inserts unscheduled advertisements into a television programming stream for presentation to a subscriber. In Applicants’ invention the advertisements that are inserted into the program stream are not associated with a particular advertisement space, time slot and/or program content. Rather, the unscheduled ads are those that may or may not be inserted into the program stream, depending on the availability of an advertisement space. The unscheduled advertisements are stored, such that when an advertisement space for an unscheduled ad becomes available, the unscheduled ad is ready for insertion. Furthermore, once an unscheduled ad is inserted, Applicants’ invention determines whether the advertisements were actually presented to individual subscribers. Such a determination assists in establishing the value and relevancy of the unscheduled advertisements to both advertisers and subscribers.

Independent claim 25 recites:

A method of inserting unscheduled advertisements into a television programming stream in a communications network, the method comprising:

- (a) selecting one or more unscheduled advertisements to be presented to one or more subscribers to the communications network;
- (b) storing the unscheduled advertisements at a node of the communications network;
- (c) detecting intervals in said programming stream within which advertisements may be inserted;
- (d) inserting the unscheduled advertisements into said programming stream within the detected intervals; and
- (e) monitoring the communications network to determine whether the selected unscheduled advertisements are presented to each of the one or more subscribers.

Hendricks does not teach a method or system that monitors a “communications network to determine whether the selected unscheduled advertisements are presented to each of the one or more subscribers.” Initially, Applicants respectfully point out that Hendricks’ system does not use or insert unscheduled ads. That is, the ads that are inserted into the program stream in Hendricks are “scheduled” or “linked” ads (i.e., ads that are associated with a particular advertisement space, time slot and/or program content). Although Hendricks’ system uses “feeder channels” in which multiple channels of advertisements may be transmitted to the subscriber system at a given time, the advertisements in the feeder channels are nonetheless scheduled ads, since they are associated with designated time slots and/or advertisement spaces within the programming stream. Which feeder channel is selected is simply a function of the program that the subscriber is tuned to when the advertisement space occurs, and the advertisements corresponding to the selected feeder channel are displayed.

In contrast, the present invention inserts unscheduled ads – ads that may or may not be inserted into the program stream, since they are not associated with a particular advertisement space, time slot and/or program content. In Applicants’ invention, the unscheduled advertisements are initially downloaded to a local node (such as the subscriber’s individual system) and are then displayed according to a methodology that is not completely dependent on the time and/or presently available advertisement space.

For example, the unscheduled advertisements in Applicants' invention may be displayed to the subscriber according to a prioritized or randomly ordered list. Since Hendricks does not disclose a system that uses unscheduled advertisements, Hendricks also does not disclose monitoring the system to determine whether the unscheduled ads were presented to the subscriber. Thus, Hendricks does not teach or suggest the features recited in independent claim 25. Accordingly, new independent claim 25 is believed to be allowable over Hendricks.

New independent claim 30 recites "an advertisement selector, configured to select one or more unscheduled advertisements...; and a monitor processor configured to monitor the communications network to determine whether the selected unscheduled advertisements are presented to each of the one or more subscribers." Similarly, new independent claim 35 recites "a computer-readable medium...for performing a method comprising...monitoring the communications network to determine whether the selected unscheduled advertisements are presented to each of the one or more subscribers." For the same reasons discussed above with respect to independent claim 25, Hendricks does not disclose all of the features recited in independent claims 30 and 35. Accordingly, new independent claims 30 and 35 are believed to be allowable over Hendricks.

Dependent claims 26-29, 31-34 and 36-39 are allowable at least by their dependency on independent claims 25, 30 and 35, respectively. Reconsideration and withdrawal of the Examiner's § 102(b) rejection of claims 1, 8-9 and 18-19 over Hendricks are respectfully requested.

*Claim Rejection – § 103(a)*

The Examiner has rejected claims 2-3 and 22 under 35 U.S.C. §103(a) as being unpatentable over Hendricks. For the same reasons discussed above with respect to the Examiner's section 102(e) rejection of claims 1, 8-9 and 18-19, Hendricks does not disclose all of the elements recited in independent claims 25, 30 and 35. Thus, claims 25, 30 and 35 are believed to be allowable over Hendricks, since Hendricks alone does not teach or suggest all of the features of independent those claims. Claims 2-3 and 22 have

been canceled. Reconsideration and withdrawal of the Examiner's §103(a) rejection of claims 2-3 and 22 are respectfully requested.

The Examiner has rejected claim 4 as being unpatentable over Hendricks in view of U.S. Patent No. 6,144,653 to Persson *et al* ("Persson"). As discussed above with respect to the Examiner's obviousness rejection of claims 2-3 and 22, independent claims 25, 30 and 35 are believed to be allowable over Hendricks. Applicants respectfully submit that Persson does not teach or suggest any of the elements missing from Hendricks. Thus, independent claims 25, 30 and 35 are believed to be allowable over the combination of Hendricks and Persson. Claim 4 has been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claim 4 are respectfully requested.

The Examiner has rejected claims 5-6 as being unpatentable over Hendricks in view of U.S. Patent No. 6,796,555 to Blahut ("Blahut"). As discussed above with respect to the Examiner's obviousness rejection of claims 2-3 and 22, independent claims 25, 30 and 35 are believed to be allowable over Hendricks. Applicants respectfully submit that Blahut does not teach or suggest any of the elements missing from Hendricks. Thus, independent claims 25, 30 and 35 are believed to be allowable over the combination of Hendricks and Blahut. Claims 5-6 have been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 5-6 are respectfully requested.

The Examiner has rejected claims 7, 15-17 and 20-21 as being unpatentable over Hendricks in view of U.S. Patent Publication No. 2002/0152471 to De Haas ("De Haas"). As discussed above with respect to the Examiner's obviousness rejection of claims 2-3 and 22, independent claims 25, 30 and 35 are believed to be allowable over Hendricks. Applicants respectfully submit that De Haas does not teach or suggest any of the elements missing from Hendricks. Thus, independent claims 25, 30 and 35 are believed to be allowable over the combination of Hendricks and De Haas. Claims 7, 15-17 and 20-21 have been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 7, 15-17 and 20-21 are respectfully requested.

The Examiner has rejected claims 10-14 and 23-24 as being unpatentable over Hendricks in view of U.S. Patent No. 5,926,205 to Krause *et al* ("Krause"). As discussed

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above with respect to the Examiner's obviousness rejection of claims 2-3 and 22, independent claims 25, 30 and 35 are believed to be allowable over Hendricks.

Applicants respectfully submit that Krause does not teach or suggest any of the elements missing from Hendricks. Thus, independent claims 25, 30 and 35 are believed to be allowable over the combination of Hendricks and Krause. Claims 10-14 and 23-24 have been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 10-14 and 23-24 are respectfully requested.

Dependent claims 26-29, 31-34 and 36-39 are allowable at least by their dependency on independent claims 25, 30 and 35, respectively.

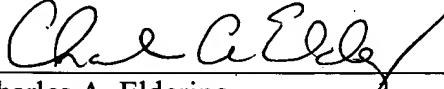
### ***Conclusion***

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's objection and rejections have been overcome, and that the application, including claims 25-39, is in condition for allowance. Reconsideration and withdrawal of the Examiner's objection and rejections and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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